

**FY 2012 – FY 2014
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY
FOR**

COBB COUNTY AIRPORT - MCCOLLUM FIELD

KENNESAW, GEORGIA

FEBRUARY 2013

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METHODOLOGY for Establishing the FY 2012 – FY 2014 Overall Disadvantaged Business Enterprise (DBE) Goal for:

*Cobb County Airport - McCollum Field
Kennesaw GA
February 2013*

In fulfillment of the requirements of 49 CFR Part 26, Cobb County has developed a proposed Overall Goal for FY 2012-FY 2014 FAA-AIP projects at the Cobb County Airport - McCollum Field. The methodology used in establishing this goal is described herein.

I. Detailed Methodology: Specific Steps

A. Amount of Goal

Cobb County's ("the County") overall goal for the Cobb County Airport - McCollum Field ("the Airport") for FY 2012-FY 2014 is the following: **10.34%** of the Federal financial assistance it will expend in USDOT-assisted contracts.

Given the amount of USDOT-assisted contracts that the County expects to let during this fiscal three-year period, which is approximately **\$5,908,364**, this means that the County has set a goal of expending approximately **\$610,803** with DBEs during FY 2012-FY 2014.

B. Determination of the Market Area of the study

The normal market area is derived by determining where the substantial majority of contracting dollars for AIP-funded projects were spent, and from where the majority of bidders over a given period of time have come. The market area is shown below in Table 1, and is based on the counties from where bidders came who participated in the last project at the airport, as well as where the substantial majority of dollars were expended. Also, the market area includes the counties from where the County's engineering consultant is based.

Table 1: Counties in the Local Market Area for Cobb County Airport - McCollum Field

Construction Services	Professional services
Cobb	Cobb
Fulton	Fulton
Gordon	

C. Determination of relevant NAICS codes

Based on information provided by the consulting engineer concerning the proposed projects for this fiscal period, a list of NAICS codes corresponding to these projects was developed and is shown below:

Table 2: Cobb County Airport - McCollum Field—FY 2012-FY 2014 Projects & Activities

<i>FY 2012 Projects</i>		
PROJECT	ACTIVITY	NAICS CODE
<i>No proposed projects for FY 2012 exceeding \$250,000 in AIP funds</i>		
<i>FY 2013 Projects</i>		
PROJECT	ACTIVITY	NAICS CODE
New Air Traffic Control Tower; Taxiway A&B Improvements; Wildlife Hazard Assessment	Commercial/Industrial Building construction	236220
	Heavy construction	237310
	Electrical	238210
	Site work	238910
	Engineering/design	541330
	Quality assurance testing	541380
	Environmental consulting	541620
	Erosion control/seeding/mulching	561730
<i>FY 2014 Projects</i>		
PROJECT	ACTIVITY	NAICS CODE
North Apron Rehabilitation and Expansion (Taxiway A2 to Corporate Row Taxiway)	Heavy construction	237310
	Electrical	238210
	Site work	238910
	Engineering/design	541330
	Surveying	541370
	Quality assurance testing	541380
	Erosion control/seeding/mulching	561730

SOURCE: The LPA Group Inc.

D. Determination of Relative Availability of DBEs in Market Area, Compared to all Firms

**Table 3a: DBEs—Cobb County Airport - McCollum Field, by Relevant NAICS Codes —
FY 2013**

<i>Project</i>	<i>NAICS Codes</i>	<i>DBE Firms</i>	<i>All Firms</i>	<i>% of DBE Firms Available</i>	<i>Ratio of estimated total expended</i>	<i>Weighted Total Availability</i>
New Air Traffic Control Tower; Taxiway A&B Improvements; Wildlife Hazard Assessment	236220	40	324	12.3%	0.26	3.22%
	237310	9	39	23.1%	0.19	4.38%
	238210	6	305	2.0%	0.09	0.17%
	238910	19	83	22.9%	0.28	6.48%
	541330	41	588	7.0%	0.07	0.46%
	541380	4	28	14.3%	0.01	0.17%
	541620	10	88	11.4%	0.09	1.01%
	561730	8	418	1.9%	0.01	0.03%
STEP 1 DBE BASE FIGURE =						15.92%

SOURCES:

1. 2010 County Business Patterns, US Census Bureau, June 2012.
2. Georgia DOT UCP Directory, February 2013.

**Table 3b: DBEs—Cobb County Airport - McCollum Field, by Relevant NAICS Codes —
FY 2014**

<i>Project</i>	<i>NAICS Codes</i>	<i>DBE Firms</i>	<i>All Firms</i>	<i>% of DBE Firms Available</i>	<i>Ratio of estimated total expended</i>	<i>Weighted Total Availability</i>
North Apron Rehabilitation and Expansion (Taxiway A2 to Corporate Row Taxiway)	237310	9	39	23.1%	0.55	12.75%
	238210	6	305	2.0%	0.02	0.03%
	238910	19	83	22.9%	0.21	4.81%
	541330	41	588	7.0%	0.18	1.24%
	541370	4	30	13.3%	0.01	0.12%
	541380	10	28	35.7%	0.02	0.86%
	561730	8	418	1.9%	0.01	0.02%
STEP 1 DBE BASE FIGURE =						19.83%

SOURCES:

1. 2010 County Business Patterns, U.S. Census Bureau, June 2012.
2. Georgia DOT UCP Directory, February 2013.

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

E. Determination of the DBE Base Figure

The Step 1 DBE Base Figures for FY 2013 and FY 2014 were derived by using a weighting process by which the ratio of dollars spent on various activities (represented by NAICS codes) were multiplied by the percentage of relevant DBE firms to all relevant firms as indicated in Tables 3a and 3b above.

The Step 1 DBE Base Figure for FY 2013 is **15.92%**.

The Step 1 DBE Base Figure for FY 2014 is **19.83%**.

II. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

"...additional evidence in the sponsor's jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal" (26:45(d)).

A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

"(i) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

The overall DBE goal accomplishments at the Airport were examined relative to the above consideration. Notice the annual DBE percent accomplishment as indicated below):

Table 4: Cobb County Airport-McCollum Field DBE Accomplishments for FY 2006-FY 2011

Report Period	Approved DBE Goal	Total DBE Percent achieved	Achieved over/under
FY 2006	10.81%	17.45%	6.64%
FY 2007	10.38%	9.13%	-1.25%
FY 2008	11.20%	11.02%	-0.18%
FY 2010	15.30%	11.80%	-3.50%
FY 2011	13.60%	13.65%	0.05%
	MEDIAN	11.80%	-0.18%

Source: The LPA Group Inc.

B. Consultations

In accordance with 49 CFR Part 26.45, consultations were held with various agencies to gather

“(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure...”

“(iii) Data on employment, self-employment, education, training and union apprenticeship programs to the extent you can relate it to the opportunities for DBEs to perform in your program” (26:45, d.)

There are no local disparity studies or similar documents that can be utilized to adjust the Step 1 DBE base figure. Several agencies were contacted, including the Georgia Entrepreneur and Small Business Development office (ESBD), the Georgia DOT Equal Opportunity Division, and the Kennesaw State University's Small Business Development Center office in Kennesaw GA.

A disparity study was conducted for the Georgia Department of Transportation (GDOT) and the findings were released in July 2012. The study demonstrated that there exists disparity between the availability of minority- and women-owned firms and DBEs to perform GDOT-funded work, and the utilization of said firms. Because the study does not focus on FAA contracts, the disparity study data will not be used to make an adjustment to the base figure.

None of the entities had any disparity studies or data available for the Cobb County area, and none had any data available noting disparities regarding DBEs' access to bonding, capital, insurance, etc.

There are a number of programs available to DBEs. ESBD (<http://www.georgia.org/business-resources/small-business-resources/Pages/default.aspx>) has resources available for DBEs, including certification information, legislation involving small businesses, and contact information for small and minority business coordinators throughout the state of Georgia.

The Kennesaw State University's Small Business Development Center office in Kennesaw GA has consultants available to assist DBE firms in: writing business plans; conforming to federal government regulations; bidding on federal, state and local contracts; find capital, etc. The agency does not conduct disparity studies, but does provide resources to assist DBEs in obtaining a greater opportunity to participate in federal contracts.

C. Adjustment to Step 1 DBE Base Figure: Cobb County Airport - McCollum Field, FY 2012-FY 2014

With the adjustment factors considered to this point, the County will adjust the Step 1 base figures as calculated above by adding the annual accomplishment factor derived in Table 4, above (11.80%) to the base figure for each fiscal year as noted, and averaging the total, for an adjusted overall DBE goal.

The DBE base figure for FY 2013 is 15.92%. $15.92\% + 11.80\% = 27.72\% \div 2 = 13.86\%$.

The DBE base figure for FY 2014 is 19.83%. $19.83\% + 11.80\% = 31.63\% \div 2 = 15.82\%$.

	DBE percentage of federal share	Federal share	DBE total	Total cost of projects	DBE goal
FY 2013	13.86%	\$3,232,776	\$448,063	\$4,765,364	9.40%
FY 2014	15.82%	\$1,028,700	\$162,740	\$1,143,000	14.24%
		\$4,261,476	\$610,803	\$5,908,364	

Overall DBE goal = 10.34%

Resources: Cobb County Airport - McCollum Field - Disadvantaged Business Enterprise Program Methodology (FY 2012 – FY 2014)

A. Resource Documents:

1. 2010 County Business Patterns, U.S. Census Bureau, June 2012.
2. Georgia UCP Directory, February 2013.

B. Persons, and/or Agencies Consulted with:

1. Kennesaw State University Small Business Development Center – Kennesaw GA
2. Georgia DOT Equal Opportunity Division
3. The Governor’s Entrepreneur and Small Business Development office

Attachment 6

Breakout of Estimated Race-
Neutral & Race-Conscious
Participation

I. Breakout of Estimated Race-Conscious/Race-Neutral Participation

The County will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The County will use a combination of the following race-neutral means to increase DBE participation:

Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small businesses participation (e.g., unbundling large contracts to make them more accessible to small businesses, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);

Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).

The County estimates that, in meeting its overall goal of 10.34%, that it will obtain 0.0% from race-neutral participation and 10.34% through race-conscious measures. The reason for this projected split is that the historical information on DBE participation showed that the median amount by which annual DBE accomplishments on the FAA-AIP projects funded in FY 2006-2011 was exceeded was -0.18%. Therefore, the goal is projected to be met via race-conscious measures for this fiscal three-year period.

The County will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

II. Process

The County will normally submit its overall goal to the FAA on August 1 of each year.

Before establishing the overall goal this year, the County consulted with the Kennesaw State University Small Business Development Center office in Kennesaw GA to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the County's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, the County published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale were available for inspection during normal business hours at the office of the **Airport Manager** for 30 days following the date of the notice, and informing the public that the County would accept comments on the goals for 45 days from the date of the notice. The notice was published in The Daily Herald newspaper. The notice included addresses (including offices) to which comments could be sent and addresses where the proposal could be reviewed. This process was used to establish the overall goal for FY 2012-FY 2014.

The County's overall goal submission to the FAA will include a summary of information and comments received during this public participation process and its responses. *(Note: No comments have yet been received for the FY 2012-FY 2014 DBE Goal for the County.)*

The County will begin using the overall goal on October 1 of each year, unless the County has received other instructions from USDOT/FAA (or, if the goal is established on a project basis) by the time of the first solicitation for a USDOT/FAA-assisted contract for the projects.

III. Contract Goals

The County will use contract goals to meet any portion of the overall goal that the County does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of its overall goal that is not projected to be met through the use of race-neutral means.

The County will establish contract goals only on those USDOT-assisted contracts that have subcontracting possibilities. The County does not need to establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

The County will express its contract goals as a percentage of the total amount of a USDOT-assisted contract.